MARYLAND HEALTH CARE COMMISSION

UPDATE OF ACTIVITIES

February 2008

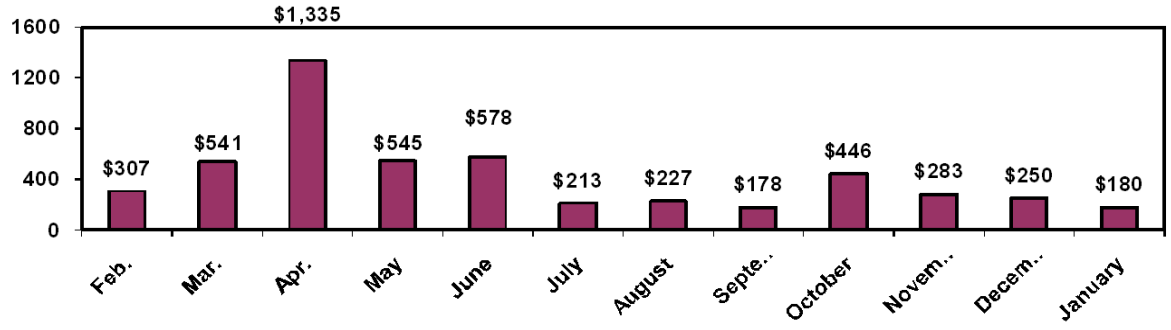
CENTER FOR INFORMATION SYSTEMS AND ANALYSIS

Maryland Trauma Physician Services Fund

Uncompensated Care Processing

CoreSource Inc., the third party administrator (TPA) for the Trauma Fund, adjudicated claims with a total paid value of approximately $179,800 in January. Since February 2007, the Trauma Fund has paid approximately $5.0 million in uncompensated care claims. The monthly payments for uncompensated care are shown in Figure 1. MHCC expects the volume of uncompensated care to be paid during February to increase significantly from recent months.

Figure 1 -- Uncompensated Care Payments February 2007 to the Present in (000s)



Annual Reconciliation

Maryland trauma physicians completed their Annual Reconciliation Report. As of February 14, 2008, the Fund has been reimbursed $112,100. The report was due to the Commission no later than January 31, 2008. Several large institutions have been granted extensions to submit reconciliation reports.

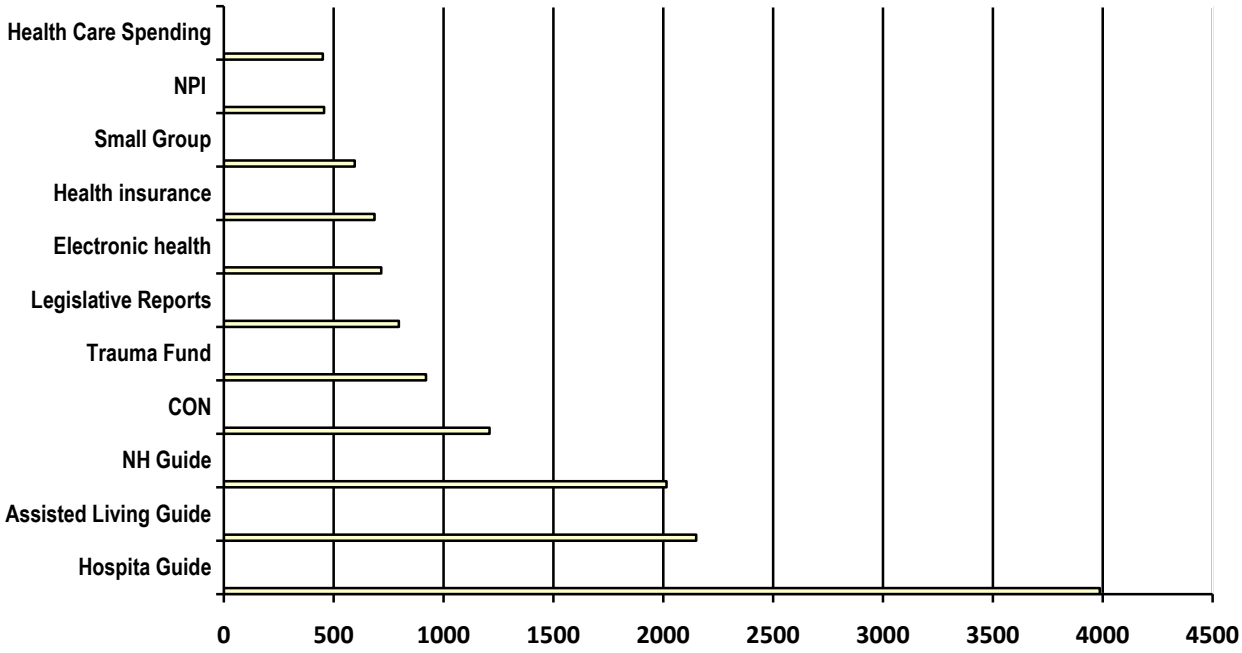
Data Base and Application Development

Internet Activities

Figure 1 presents results on web utilization for the ten most frequently visited sites in January. About 20,000 unique users visited the site last month. About 9,000 users came directly to the site (typed or pasted a MHCC address in their browser) and GOOGLE referred about 6,000 visitors to the site. The average user spent about 3 minutes on the site.

The Hospital Performance Guide, shown as "Hospital Guide" in the Figure, is the site with the highest utilization. The Assisted Living and Nursing Home Guides had significant traffic. The remaining sites are primarily policy related sites aimed at analysts and policymakers in the respective areas. Fewer visitors would typically be expected.

Figure 1 Unique Visits to the MHCC Web Site in January



Health Occupation Boards License Renewals

Staff continued to make progress on license renewal applications for occupation boards. Table 1 presents the status on development for health occupation boards.

Table 1 – Health Occupation Boards with Web Applications Under Development

Board	Anticipated Start Development/Renewal	Start of Next Renewal Cycle
Podiatry	Complete, Complete	11/01/2007
Psychologists	Complete, Underway	12/01/07
Counselors & Therapists	Complete, Underway	2/01/2008
Occupational Therapy	Complete, Underway	03/01/08
Audiologists	Completed, Underway	03/01/08
Acupuncture	Complete,Not started	04/14/08
Dietetic	06/01/08,Not started	08/11/08
Chiropractic	06/01/08, Not started	09/01/08
Optometry	07/01/08, Not started	06/30/09

Cost and Quality Analysis

Health Care Access and Reimbursement Task Force
MHCC is staffing the Task Force on Health Care Access and Reimbursement. The Task Force is charged with examining issues that have not been resolved over the past several years affecting access to and reimbursement of physicians. The General Assembly directed the Task Force to provide recommendations on broad questions affecting:

- patients' access to providers,
- payers' policies on participation on network panels
- adequacy of current reimbursement levels, and
- alternatives to the present system of payment, and approaches for linking reimbursement to quality.

The Task Force met on January 28 in the Senate Finance Committee room. Dr. Thomas Lawrence, Chief Medical Officer, Peninsular Regional Medical Center, presents on Supply and Reimbursement Concerns in Rural Areas. Dr. Henry Miller from Navigant Consulting presented a response to the MHA/MedCHI physician supply estimates. Carefirst was positive about some of the estimates and agreed that expanding access to primary care was important. Dr. Miller raised serious questions about MHA/MedCHI results that showed Maryland overall well below the nation in clinical FTEs. Miller noted that Maryland has consistently ranked among the highest in physician supply. The Chairman directed the MHCC to work with Carefirst and MHC/MedChi to resolve the differences and to report on areas of agreement at the next meeting.

State Health Expenditures Report
The staff is completing the report, *State Health Care Expenditures: Experience from 2006.* When this report is issued, the MHCC meets its mandate to report on the state's total reimbursement for health care services in accordance with the law. The report will show that Maryland health care spending grew to $32.7 billion in 2006. The rate of overall growth in health care spending was nearly 8 percent from 2005 to 2006, slightly higher than the rate from 2002 to 2006, which averaged 7 percent per year. The accelerated growth in Maryland's health care spending in 2006 is a departure from the slowing growth observed in the three previous years. This up-tick is in contrast to the recently reported National Health Expenditure Accounts, which show continued slowing in the growth of health care spending nationwide in 2006.

Per capita expenditures for health care in Maryland ($5,823) were approximately 2.5 percent more than per capita expenditures nationally. From 2005 to 2006, per capita health care spending in Maryland grew 7 percent, compared to the longer term trend of 6 percent per year since 2002. The rate of growth in health care spending continues to surpass various measures of growth in the broader economy. For example, personal per capita income in Maryland increased at an average annual rate of 5 percent from 2002 to 2006.

Among the service sectors, hospital expenditure grew fastest at 8 percent. Spending on prescription drugs grew by 7 percent, and expenditures for services provided by physicians and other professional increased by 6 percent. Spending for administration and the net cost of insurance grew significantly, principally due to a 14 percent increase in these expenses among private payers.

Disparities in the Quality of Ambulatory Care in Maryland

MHCC has begun work to examine hospitalization rates for ambulatory care among Maryland residents to Mathematica Policy Research (MPR). The kick-off and a follow-up meeting for the study were held in January. A detailed work plan is due from MPR in late February. MPR will use MHCC's Medicare data to determine the rates of hospital admissions for selected ambulatory care conditions and assess how these admission rates vary by gender, race, geographic location, and income (with income defined as the median income in patient's zip code). (Limitations inherent in the race variable will permit calculations for only non-Hispanic Whites and Blacks.) MHCC anticipates that the study will be completed by September 2008. MHCC staff hopes to use the results of this study to further the development of a system of ambulatory care performance measures that will provide important feedback to the health care community. The study also serves our goal of strengthening our collaboration with other agencies in DHMH to improve the quality of care received by Maryland residents. Dr. David Mann, epidemiologist for Minority Health and Health Disparities, DHMH, is assisting MHCC in this study.

CENTERS FOR HEALTH CARE FINANCING AND LONG-TERM CARE AND COMMUNITY BASED SERVICES

Small Group Market

Comprehensive Standard Health Benefit Plan (CSHBP)

At the November 2007 public meeting, the Commission approved proposed permanent regulations on the incorporation of an Exclusive Provider Organization (EPO) as an additional plan type to be offered in the small group market. The regulations were posted in the Maryland Register on December 21, 2007 for the required comment period. No comments were received. Later in today's meeting, Commission staff will present these regulations for final action as proposed. Upon approval, the regulations will be implemented effective March 24, 2008.

Later in today's meeting, Commission staff will present proposed permanent regulations that specify the components of wellness benefits offered under small employer health benefit plans. These regulations are required under SB 6, the "Working Families and Small Business Health Coverage Act," enacted during the special session in November 2007. Upon adoption, the regulatory process will begin, with the posting of these regulations in the Maryland Register for the required comment period.

Limited Benefit Plan

As required under Chapter 287 of the Acts of 2004, and through the enactment of HB 800 (2007), the Commission was required to develop a report for the General Assembly on the overall enrollment in the Limited Benefit Plan since its inception on July 1, 2005 through June 30, 2007. The report also included alternative options for individuals enrolled in the Limited Benefit Plan. Staff presented the report to the Commission at the December public meeting for approval. The report was due by January 1, 2008. Copies of the report have been submitted to the General Assembly. The report also is posted on the Commission's website. The requirement that prominent carriers offer the Limited Benefit Plan in the small group market will sunset on June 30, 2008.

Long Term Care Quality Initiative

Long Term Care Web Site Enhancement
Maryland Nursing Home Guide enhancements that include expanded performance measures (influenza and pneumococcal vaccination), additional facilities information (number of beds by type, accessibility to bathrooms), and easier navigation were activated. Both Nursing Home and Assisted Living Guides were updated with new Long Term Care Survey data.

Staff continues to gather input to expand the community services part of the web site so that it focuses on the whole compendium of long term care services, especially community based services. AARP has volunteered two senior staff to assist with redesign. We are also working with the two nursing home associations as was done in the past along with input from the LTC Advisory Committee to identify needed changes.

Nursing Facility Family Survey
A press release announced the web site publication of statewide and individual facility results on January 24th. The release resulted in several inquiries from both Baltimore and Washington area media for interviews with Commissioners and staff. An increased number of requests the for Guide by phone call and email have also resulted from the press release.
Preparations for the next administration of the survey this summer are in progress.
Collaboration with the Medicaid's Long Term Care program is underway to share the Nursing Facility Family Survey results for consideration as one measure in a Pay for Performance Program that is under development at DHMH.

Long Term Care Policy and Planning

Staff continues to work with OCS, the contractor for the Maryland Hospice Survey. Planning is underway for the release of the 2008 Maryland Hospice Survey this month. In addition, the Commission has completed a contract modification with OCS to expand capabilities for data collection and analysis. This covers enhancements to the Maryland Hospice Survey including: development of a web-based completion and certification process; use of electronic signature procedures to authorize survey completion; and the requirement for full survey completion and correction of errors prior to survey submission.

On January 29, 2008, staff was invited to the Annual Hospice Day in Annapolis to make a presentation to the membership about the status of data collection and other planning issues. The presentation included a discussion of the public use data set for 2005, enhancements to the 2006 public use data set, and the schedule for the 2008 Maryland Hospice Survey. Presentations were made to the hospices by the Commission, by Medicaid, and by the Office of Health Care Quality.

On February 6, 2008 staff attended a conference entitled "Building Bridges: Making a Difference in Long-Term Care." This conference was sponsored by The Commonwealth Fund and Academy Health. Presentations focused on the issue of conflicting incentives for long-term care by policies of Medicare vs. Medicaid.

Working with the Attorney General's Office and the State Advisory Council on Quality Care at the End of Life, staff finalized work on a report entitled: Study of Health Care Services for Children with Life-Threatening Conditions. This study was required under HB 797. The report has been submitted to the legislature.

The Long Term Care Survey Post Collection phase has been completed; all the data has been reviewed and cleaned. The data for the different Guides has been given to the Center for Information Services and

Analysis for updates to the Nursing Home Guide and the Assisted Living Guide. The data has also been used to create the Long Term Care public use data set which has been placed on the Commission's web site. Staff is in the process of sending out letters to Assisted Living Facilities to inform them of the availability of the Guide and to advise them to update their profile with current rates, services and to submit photograph of the facility.

Health Plan Quality and Performance

2008 Performance Evaluation: HEDIS Audit and CAHPS Survey

HEDIS Audit
The 2008 HEDIS audit had started smoothly. The HEDIS auditor, HealthcareData.com (HDC), received by the established deadlines programming code from each plan to identify all eligible members for inclusion in the CAHPS survey. Plans received auditor approval on their programming codes without exception. Additionally, HDC received and approved the final CAHPS sample frame for all HMO and PPO plans.

Division staff has approved with comment, the MHCC-specific behavioral health and comprehensive diabetes composite reporting tools, which automate data reporting. HDC distributed the revised tools to plans.

Consumer Assessment of Health Plan Study (CAHPS Survey)
WB&A, the survey contractor, has received sample frames for the seven Maryland HMOs and four PPOs plans that will report performance results in 2008. In prior years, plans have funded oversampling of their member files to improve rates of response for their overall rate as well as for individual questions. WB&A, a new vendor selected for this contract cycle, will provide a standard oversample of ten percent to facilitate the process and outcome.

Report Development—2007 Report Series
Health Plan Quality & Performance Division staff has begun work on the third, and final, report in the series, Measuring the Quality of Maryland HMOs & POS Plans: 2008/2009 State Employee Guide. The report will be available on MHCC's website. State employees will be directed to view a copy of the report online through notices in correspondence sent during the open enrollment period and information included in the benefit booklets. The Department of Budget and Management will distribute employee benefit booklets in mid-April.

Health Care Disparities

Section staff continue to collect source information to up-date the electronic HCD library. Library files (more than 50) serve as reference documents for all MHCC staff. In addition, these documents provide an overview and real-time verification of key developments and trends at national, state and community levels. The library also provides insights regarding research developments, legislative policies, and program strategies.

Center staff revamped the former HD project work plan to reflect the activity priorities for 2008: finalization of the web document, reports, and collaborations. In addition to exploring potential research opportunities with federal and private funding sources, in conjunction with the Center Director, section staff will initiate discussions with state health plans and nursing home representatives to establish plans

and strategies for reducing health disparities. The collection and reporting of race and ethnicity data will be the centerpiece of these activities.

Center staff participated in a conference call On February 11, 2008 with representatives of Aetna's leadership team in Maryland to continue the dialogue regarding Aetna's plans, strategies and time table for collecting race, ethnicity and language data and information for their members and program participants. Aetna has agreed to help MHCC facilitate the dialogue with the other plans by sharing some of the materials and strategies associated with their data collection activities.

CENTER FOR HOSPITAL SERVICES

Hospital Services Policy and Planning

Certificate of Need (CON)

Modified CONs Issued
Washington County Hospital (Washington County) – Docket No. 04-21-2146
Change in physical plant design by the addition of 15,000 square feet of shell space and an increase in the project cost of $56,189,517 for a total cost of $290,408,989

Proposed CON's Withdrawn by Applicant
Hanover Surgery Center (Anne Arundel County) – Docket No. 07-02-2192
Establishment of an ambulatory surgery center with 3 operating rooms and 2 procedure rooms to be located at 7556 Teague Road, Hanover, Md.
Cost: $5,366,982

CON Letters of Intent
Lorien LifeCenter Howard County II (Howard County) – Addition of 4 comprehensive care beds to the previously approved (06-13-2185) Certificate of Need to construct a 60 bed comprehensive care facility in Elkridge, Md.

CON Applications Filed
Citizens Nursing Home (Frederick County) – Matter No. 08-10-2227 - Construction of a replacement facility for the current 170 CCF bed facility
Cost: $35,275,419

Pre-Application Conference
Lorien LifeCenter Howard County II (Howard County)

Application Review Conference
Citizens Nursing Home (Frederick County) – Matter No. 08-10-2227

Determinations of Coverage Issued

-Acquisitions

Montgomery General Hospital (Montgomery County) – Acquisition of Montgomery General Hospital by MedStar Health, Inc.

-Delicensure of Bed Capacity or a Health Care Facility

Rock Glen Nursing & Rehabilitation Center (Baltimore City)
Temporary delicensure of 25 CCF beds

-Relicensure of Bed Capacity or a Health Care Facility

Hamilton Center (Baltimore City)
Relicensure of 5 temporarily delicensed CCF beds

-**Ambulatory Surgery Centers**

Hanover Parkway Surgery Center (Prince George's County)
Establish an ambulatory surgery center with 1 sterile OR and 1 non-sterile procedure rooms to be located at 7300 Hanover Street, Greenbelt, Md.

-**Waiver Beds**

Jewish Convalescent & Nursing Center (Baltimore City)
Request to add 5 CCF waiver beds

Solomons Nursing Home (Calvert County)
Request to add 9 CCF waiver beds

Blue Point Nursing & Rehabilitation Center (Baltimore City)
Request to add 4 CCF waiver beds

Policy and Planning

The 2007 Joint Chairmen's Report (JCR) directed the Commission to develop a plan to guide the future mental health service continuum needed in Maryland. The Plan must include a statewide mental health needs assessment of the demand for: inpatient hospital psychiatric services (in State-run psychiatric, private psychiatric and acute general hospitals); and, community-based services and programs needed to prevent or divert patients from requiring inpatient mental health services, including services provided in hospital emergency departments. The Commission has entered into a Memorandum of Understanding with the University of Maryland, Baltimore (UMAB), on behalf of its School of Medicine, Department of Psychiatry, for the purpose of obtaining consultant services to support the project.

To guide the development of the plan, the JCR requires the Commission to convene a Task Force. Based on the guidance provided in the JCR, a Task Force has been formed. The Task Force, which will be chaired by Rex W. Cowdry, M.D., includes representatives from a wide range of organizations, including:

- Mental Hygiene Administration
- Alcohol and Drug Abuse Adminstration
- Department of Juvenile Services
- Health Services Cost Review Commission
- Maryland Insurance Administration
- AFSCME
- Private Psychiatric Hospitals

- Acute Care Hospitals with and without Inpatient Psychiatric Units
- Black Mental Health Alliance
- Maryland Psychiatric Society
- Mental Health Association
- American College of Emergency Physicians-Maryland Chapter
- Commercial Insurers
- On Our Own of Maryland, Inc.
- National Alliance of Mental Illness
- Community Behavioral Health Association of Maryland
- Maryland Coalition of Families for Children's Mental Health Services
- Maryland Association of Core Service Agencies
- Maryland Disability Law Center
- VA Maryland Health System

The Task Force will hold its first meeting on Tuesday, February 26, 2008 at 10:00 a.m. at the Commission offices (4160 Patterson Avenue, Conference Room 100, Baltimore, Maryland).

Hospital Quality Initiatives

The Hospital Performance Evaluation Guide Advisory Committee met on January 28th to discuss various activities associated with the maintenance and expansion of the Hospital Guide. The staff presented the preliminary results of a survey of hospitals designed to gather information on the use of external information systems vendors that perform data collection and management activities for the core quality measures and patient experience data sets. The staff also reviewed proposed changes to MHCC data reporting regulations (see below), the hospital industry response to proposed additions to the Hospital Profile component of the Guide and updates on quality data and reporting activities at the federal level.

Maryland Senate Bill 135, *Hospitals - Comparable Evaluation System - Health Care Associated Infection Information*, became law on July 1, 2006. The law requires that the Hospital Performance Evaluation Guide be expanded to include healthcare-associated infection information from Maryland hospitals. To assist in developing a plan for expanding the Guide, the Healthcare-Associated Infections (HAI) Technical Advisory Committee was established in November 2006. The HAI Technical Advisory Committee and staff have worked over the past year to develop recommendations for HAI data collection and quality measures for public reporting of hospital performance. The *Final Report and Recommendations of the HAI Committee* was presented to the commission during the December 20th Commission public meeting. The Commission approved the report and directed staff to proceed with the implementation of the Committee recommendations.

In support of MHCC's hospital quality initiatives, the staff continues to reach out to other units within DHMH, federal agencies, professional organizations and other states, to share and gather information and to identify opportunities for collaboration and improvement. These activities are highlighted below.

The Division of Healthcare Quality Promotion of the CDC manages the National Healthcare Safety Network (NHSN), an internet-based surveillance system that integrates patient and healthcare personnel safety surveillance systems. In accordance with the recommendations of the HAI Technical Advisory Committee, the NHSN system will be the vehicle for collecting data on certain health-care associated infection data and quality measures from Maryland hospitals. CHS staff is reviewing NHSN educational materials to develop an understanding of the technical reporting requirements associated with the surveillance system. CHS staff also participates in the NHSN State Users monthly teleconferences to stay abreast of issues surrounding HAI hospital performance measures. On February 6th, staff participated in

the NHSN monthly conference call that included an informative discussion on the challenges associated with South Carolina's recent public release of healthcare-associated infection data.

Staff developed amendments to the regulations guiding public reporting of quality measures on the Hospital Performance Evaluation Guide. The proposed amendments are designed to update the hospital data reporting regulations to reflect the Commission's plan to expand the Guide and to establish a formal process for notifying hospitals of future changes in data requirements and quality data measures.

Staff continued efforts to develop a mechanism for measuring hospital performance in the provision of emergency care. On February 8th, the staff held its third meeting with the Emergency Department Performance Measures Technical Advisory Committee to discuss proposed quality measures and testing options.

Specialized Services Policy and Planning

Under the Commission's primary percutaneous coronary intervention (PCI) waiver program, Maryland hospitals that provide primary PCI without on-site cardiac surgical services use the Commission's clinical data registry to report data needed to measure compliance with certain regulatory requirements. After reviewing and analyzing data from the Commission's registry covering the period from April 1 through December 31, 2007, the Commission granted two-year primary PCI waivers to the following hospitals on January 17, 2008: Holy Cross Hospital, Johns Hopkins Bayview Medical Center, St. Agnes Hospital, and Howard County General Hospital. Doctors Community Hospital relinquished its primary PCI waiver as of January 31, 2008.

COMAR 10.24.05 Research Waiver Applications: Atlantic C-PORT Study of Nonprimary Percutaneous Coronary Intervention provides for a limited number of qualified hospitals without on-site cardiac surgical services to participate in the Atlantic Cardiovascular Patient Outcomes Research Team (C-PORT) elective angioplasty study. A review schedule published by the Commission established January 2, 2008 as the date on which the Commission would receive letters of intent from hospitals with primary PCI programs in the Metropolitan Baltimore and Metropolitan Washington Regional Service Areas. The following hospitals filed letters of intent on that date: Anne Arundel Medical Center, Baltimore Washington Medical Center, Shady Grove Adventist Hospital, Southern Maryland Hospital Center, Johns Hopkins Bayview Medical Center, and Holy Cross Hospital. St. Agnes Hospital filed a letter of intent on January 3rd. On January 17th, the Commission held a hearing on St. Agnes Hospital's motion to compel the staff to accept the hospital's letter of intent; the Commission denied the motion. On February 4th, the Circuit Court of Baltimore County reversed the Commission's decision to reject as untimely the letter of intent filed by St. Agnes. The Commission received research waiver applications from all seven of the above hospitals on February 4th. The Commission's staff is reviewing each application for completeness to determine whether the application may be docketed for review.

Frederick Memorial Hospital (Docket No. 06-10-0012 WN) and Washington County Hospital (Docket No. 06-21-0013 WN) have submitted written notification that each hospital is seeking to begin the provision of primary PCI services on March 15, 2008. Upon review of the hospital's notice and any requested supporting documentation, the Commission will advise the hospital whether the initiation of services is permitted.

On January 9, 2008, Carroll Hospital Center filed an application for a waiver to initiate a primary PCI program; on February 15th, the Commission docketed the application. The Commission's staff has requested that, by February 20th, Carroll Hospital Center (Docket No. 08-06-0026 WN) submit additional information that is necessary to determine whether the hospital meets the requirements in the State Health Plan for Cardiac Surgery and Percutaneous Coronary Intervention Services (COMAR 10.24.17).

CENTER FOR HEALTH INFORMATION TECHNOLOGY

Health Information Technology

In January, staff provided a briefing to the Health & Government Operations Committee (HGO) on its two phase approach to planning and implementing a statewide health information exchange (HIE) in Maryland. As part of the HGO briefing, the Chair of the Task Force to Study Electronic Health Records (Task Force) presented recommendations from the final report. The report includes 13 recommendations to promote the adoption of electronic health records (EHRs) and HIE.

Staff is in the early stages of developing an initial draft of the Solutions and Implementation Workgroup (Workgroup) final report. The Workgroup formed last October and has met on multiple occasions to develop solutions and implementation plans that address privacy and security barriers to the adoption of HIE. The Privacy and Security Workgroup identified these barriers in the initial phase of this project that began last year. An *Assessment of Privacy and Security Policies and Business Practices* was released in November 2007. Staff anticipates releasing the Solutions and Implementation report in the Spring.

Staff continued to participate in weekly meetings of the Certification Commission for Health Information Technology's (CCHIT) Network Workgroup (Workgroup). The Workgroup continued its deliberations regarding test script development and testing mechanisms for HIE networks (network). The Workgroup is scheduled to complete the first draft of test scripts in April. On January 17th, CCHIT released a 2nd network certification criteria draft for a 30-day public comment period. The Workgroup also revised the draft of its survey of existing networks, primarily focusing the questions on assessing network interest in CCHIT network certification. CCHIT's network certification program is scheduled to begin in October 2008.

Staff continued to provide support to the Maryland Hospital Association (MHA) Transaction Workgroup (Workgroup). The Workgroup met several times in January to finalize requirements and develop a draft Request for Solution (RFS) to develop and support a Maryland Transaction Data Interchange (MTDI). The RFS for the MTDI will address service levels, disaster avoidance and recovery, program management, contract management, and operations and support requirements. The Workgroup revised its project schedule, and plans to present a final draft of the RFS to MHA's Council on Financial Policy for approval in mid-March. The MHA is exploring bulk administrative transaction purchasing opportunities on behalf of its members.

Staff made several modifications to the draft survey to measure both the adoption and utilization of health information technology (HIT) in hospitals, and also developed an evaluation scoring mechanism. Staff is collaborating with the Center for Hospital Services as part of their Hospital Quality Initiative on this project. Several Maryland hospital Chief Information Officers have agreed to assist in the development and review process of the HIT survey. A draft of the survey is tentatively scheduled for review by the Hospital Quality Performance Workgroup in April. Staff expects to pilot the survey with a number of hospitals in the summer. The Center for Hospital Services is considering including the HIT survey in the 2009 Hospital Quality Survey.

Health Information Exchange

Staff provided consultative support to several multi-stakeholder groups interested in responding to the Request for Applications (RFA) that was released in January. A number of academic institutions and community hospitals have expressed an interest in responding to the RFA. Groups responding to the RFA have until March 3rd to submit a proposal to the MHCC. The RFA is the first step of a two-phased

strategic plan to provide funding for designing different parallel projects to plan for a statewide HIE, which will be followed by a single implementation project to build a statewide HIE. The planning phase is intended to identify best practices and ideas that will be incorporated into a single RFA that builds a statewide HIE capable of sharing patient information across multiple provider settings. Multi-stakeholder groups must include a Maryland hospital as one of its participants and are encouraged to include participants from a wide-range of sector groups. Two well-known national individuals have agreed to participate on the review committee: the former National Coordinator for Health Information Technology, David Brailer, M.D., Ph.D., and New York State's Deputy Commissioner of the Office for Health Information Technology Transformation, Lori Evans.

Staff participated in the first meeting of the Community Health Integrated Partnership (CHIP) Electronic Patient Record System (EPRS) Steering Committee. The Steering Committee is the governance body for the EPRS project. The Steering Committee is a strategic planning and resource allocation committee with membership comprised from a cross-section of leadership from the CHIP participating health centers. In December, CareFirst committed under the *Bridges to Excellence* program approximately $967,000 toward a $3.2 million CHIP initiative to develop and build an EHR system that will capture a wide variety of operational data from participating health centers and comprehensive patient care information.

Staff completed making changes to the MHCC Health Information Security & Privacy Collaboration Adoption of Standards Collaborative Proposal, which is part of a Multi-State Collaborative Workgroup (Workgroup) proposal to address issues regarding education, standards, privacy and security, consent and authorization issues, inter-organizational agreements, and harmonizing State privacy laws. The Office of the National Coordinator (ONC) asked Workgroup participants to make select modifications to their proposals in early January. The National Governors Association's Center for Best Practices (NGA) worked with ONC to form this Workgroup, which consists of representatives from 48 states. The Workgroup is tasked with exploring interstate challenges related to privacy and security of electronic health information. Staff has been participating in the Workgroup since it formed in September. In January, ONC asked the Research Triangle Institute, a national consulting organization, to oversee completion of the work. An announcement regarding funding is expected in February; MHCC's proposed project budget is approximately $102,000.

Efforts to identify a consultant organization to assist staff in developing guiding principles and policies related to privacy and security continued in January. Three consultant organizations responded to a Bid Board Notice that was posted on the MHCC and on Maryland's e-Government website in December. Staff is currently reviewing responses and expects to identify a consultant organization to take part in developing policies that will harmonize local service area health information exchange (SAHIE) efforts in the State. This project will convene a workgroup consisting of hospital Chief Information Officers and other stakeholders to identify common policies and to reach consensus on best practices that help facilitate the adoption of consistent standards, policies, and business practices related to HIE. Harmonizing HIE activities across SAHIEs represents a significant step toward preparing for a statewide HIE. Staff anticipates selecting a consultant organization to assist with this initiative in February.

Electronic Health Networks & Electronic Data Interchange

Staff provided support to two electronic health networks (EHNs), Availity, LLC, and GHN On-Line, regarding MHCC certification. These EHNs have expressed an interest in doing business in Maryland and have said they plan to submit an application for EHN candidacy status in March. Staff is in the final stages of reviewing recertification applications for PNC Bank, N.A. and Relay/McKesson. These networks have recently completed EHNAC reaccreditation requirements; staff expects to approve recertification for both EHNs in February. Staff worked with Health Data Management in putting together their MHCC EHN recertification and EHNAC reaccreditation self-assessment documentation. Staff initiated the EHN recertification process for Eyefinity and Payerpath that expires in May. Staff has

received a recertification application from Gateway EDI whose certification expires in March. Over the last month, staff conducted an internal validation activity of the MHCC EHN Certification Policy and Procedures Manual (manual). Issues identified during the review will be evaluated with appropriate changes made to the manual in February. The manual will be used by staff to streamline and improve the certification process, as well as for internal training.

Staff received formal comments from the Maryland Hospital Association (MHA) regarding the replacement regulations for COMAR 10.25.07 *Certification of Electronic Health Networks and Medical Care Electronic Claims Clearinghouses*, which appeared in the December 21st issue of the *Maryland Register*. The MHA raised several questions relating to the definition of an EHN and the impact of the regulations on HIE. The purpose of these regulations is to modify MHCC's EHN review process, define review criteria, and adjust the EHN application fee structure. These regulations were promulgated as new; however, existing regulations relating to the certification of EHNs have been in place for more than ten years.

Staff completed the *2007 Practitioner and Hospital EDI Review* (review) and will be releasing the review after the February Commission meeting. The review provides an overview of practitioner and hospital electronic data interchange (EDI) in Maryland and examines EDI trends. Information in the review is based on administrative transaction census data collected from approximately 41 payers, including private payers, Medicaid Managed Care Organizations (MCO), Medicaid, and Medicare, with an additional focus on the six payers that all combined account for approximately 95 percent of the Maryland market. In 2006, private payer practitioner and hospital EDI increased about nine percentage points to roughly 74%. Government payers continued to report higher EDI than private payers, but their share grew at a slower rate, with Medicare increasing nearly two percentage points to 95%, and Medicaid increasing only about one percentage point to 91%. Medicaid MCOs trailed the other payers, reporting an EDI share of about 61%, an increase of approximately six percentage points. Combined government and private payer EDI was approximately 81%.

Last month, staff began developing the draft of the *2007 Dental EDI Review*, which will report on 2006 private payer and MCO dental EDI trends in the State. A preliminary analysis of the data indicates that private payer dental EDI increased only about 2% to approximately 35%. This is considerably less than the national dental EDI share of approximately 48%. The *2007 Dental EDI Review* is expected to be released in April.

Staff notified approximately 42 payers of their requirement to submit a *2008 EDI Progress Report*, as directed under COMAR 10.25.09, *Requirements for Payers to Designate Electronic Health Networks*, and has confirmed receipt of notification for 40 of the payers notified. This report reflects administrative transactions received in 2007, and forms the basis for the 2008 practitioner and hospital, and dental review. Payers must report administrative transaction data by June 30, 2008. Staff is developing a web-based application for payers to use when submitting their data, which should be available for testing in April.

National Networking

Staff participated in a public forum of the National Alliance for Health Information Technology (Alliance) at the National Rehabilitation Hospital in Washington, D.C. Working with the technology consulting firm BearingPoint, Inc., the Alliance is working on developing consensus on definitions to key HIT terms, such as EHR, electronic medical record (EMR), personal health record (PHR), HIE, and regional health information organization (RHIO). The Alliance must complete its work and submit these definitions to ONC by March 28th. The public forum was the first of a series of meetings to provide an opportunity for interested parties and the public to offer feedback and comments on the Alliance's work. At the January meeting, draft definitions for EHR, HIE, and RHIO were discussed.

Staff participated in a virtual meeting of the American Health Information Community (AHIC). AHIC was established as an advisory body to the Secretary of Health and Human Services. AHIC's mission is to recommend specific actions to achieve interoperable HIE, and to serve as a forum for a wide range of stakeholders on its adoption. The January meeting included a presentation on the results from a survey of 5,000 practicing physicians regarding EHR adoption, an update on the current progress in developing interoperability standards by the Health Information Technology Standards Panel (HITSP), and presentations by AHIC Workgroups, including the Population Health/Clinical Care Connections, Electronic Health Records, and Consumer Empowerment Workgroups.
Staff completed making final changes to the draft Task Force to Study Electronic Health Records (Task Force) report. Printing of the report was outsourced and copies were sent to the Governor and General Assembly in accordance with the founding legislation – SB 251. The report is also available on the MHCC website. The recommendations propose ways to promote the adoption of electronic health records (EHRs) and health information exchange (HIE). The Task Force identified 13 recommendations that address financial, technological, legal/regulatory, and consumer education. The Task Force studied issues related to patient safety and privacy, as well as specific issues related to electronic transfer, e-prescribing, computerized provider order entry (CPOE), and the current use and potential expansion of electronic health records into school health records.

The Privacy and Security Solutions and Implementation Workgroup (Workgroup) convened in December. The Workgroup's goal is to develop a set of recommendations and high level implementation plans that address key barriers related to privacy and security of electronic health information exchange. Last month, the Workgroup categorized data by importance and arranged key barriers into groups for additional analysis in January. Preliminary work on the background section of the draft report began in December. Staff anticipates completing an initial draft of the final report in early February and releasing the final report at the end of March. Mosaica Partners, a consultant organization, is providing support to staff in completing the data analysis, facilitating workgroup meetings, and drafting the final report.

Staff continued to participate in virtual meetings of the Certification Commission for Health Information Technology's (CCHIT) Network Workgroup (Workgroup). CCHIT is a voluntary, private-sector organization formed in July 2004, with a mission to accelerate the adoption of HIT by creating an efficient, credible, and sustainable certification program. The Workgroup has been meeting weekly for about the last six months to develop criteria for certification and testing of clinical networks involved in HIE. The Workgroup has been working in collaboration with other CCHIT Workgroups to ensure uniformity of testing criteria across CCHIT products. In December, the Workgroup continued to work on the development of testing scenarios for network certification criteria, as well as exploring testing mechanisms. In January, the Workgroup is planning to survey existing networks to assess their interest in participating in pilot testing. Networks are not required to meet any pre-determined performance standards for participation in the pilot program. The Workgroup expects to release a first draft of the test criteria in January.

Staff continued to provide support to the Maryland Hospital Association (MHA) Transaction Workgroup (Workgroup). The Workgroup is focused on assessing the impact of developing a hospital owned electronic health network (EHN or network), or entering into a bulk services contract with one of the existing MHCC-certified networks, as a way to decrease administrative transaction costs. Last month, the Workgroup decided to delay efforts in evaluating governance models until it concludes on its recommendations for increasing electronic data interchange between hospitals and payers. The Workgroup plans to meet several times in January to finalize its recommendations and develop a draft Request for Proposal consistent with the Workgroup's recommendations, which will be presented to the MHA's Council on Financial Policy in February.